



## Senate

General Assembly

**File No. 520**

February Session, 2018

Substitute Senate Bill No. 399

*Senate, April 16, 2018*

The Committee on Judiciary reported through SEN. DOYLE of the 9th Dist. and SEN. KISSEL of the 7th Dist., Chairpersons of the Committee on the part of the Senate, that the substitute bill ought to pass.

### ***AN ACT CONCERNING THE UNIFORM PROTECTED SERIES ACT.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1      Section 1. (NEW) (*Effective October 1, 2018*) Sections 1 to 42,  
2      inclusive, of this act may be cited as the Uniform Protected Series Act.

3      Sec. 2. (NEW) (*Effective October 1, 2018*) As used in sections 1 to 42,  
4      inclusive, of this act:

5      (1) "Asset" means property: (A) In which a series limited liability  
6      company or protected series has rights; or (B) as to which the company  
7      or protected series has the power to transfer rights.

8      (2) "Associated asset" means an asset that meets the requirements of  
9      section 15 of this act.

10      (3) "Associated member" means a member that meets the  
11      requirements of section 16 of this act.

12       (4) "Foreign protected series" means an arrangement, configuration  
13 or other structure established by a foreign limited liability company  
14 which has attributes comparable to a protected series established  
15 under sections 1 to 42, inclusive, of this act. "Foreign protected series"  
16 applies whether or not the law under which the foreign company is  
17 organized refers to "protected series".

18       (5) "Foreign series limited liability company" means a foreign  
19 limited liability company that has at least one foreign protected series.

20       (6) "Non-associated asset" means:

21       (A) An asset of a series limited liability company which is not an  
22 associated asset of the company; or

23       (B) An asset of a protected series of the company which is not an  
24 associated asset of the protected series.

25       (7) "Person" includes a protected series.

26       (8) "Protected series", except in the phrase "foreign protected series",  
27 means a protected series established under section 9 of this act.

28       (9) "Protected-series manager" means a person under whose  
29 authority the powers of a protected series are exercised and under  
30 whose direction the activities and affairs of the protected series are  
31 managed under the operating agreement, sections 1 to 42, inclusive, of  
32 this act and chapter 613a of the general statutes.

33       (10) "Protected-series transferable interest" means a right to receive a  
34 distribution from a protected series.

35       (11) "Protected-series transferee" means a person to which all or part  
36 of a protected-series transferable interest of a protected series of a  
37 series limited liability company has been transferred, other than the  
38 company. "Protected-series transferee" includes a person that owns a  
39 protected-series transferable interest as a result of ceasing to be an  
40 associated member of a protected series.

41 (12) "Series limited liability company", except in the phrase "foreign  
42 series limited liability company", means a limited liability company  
43 that has at least one protected series.

44 Sec. 3. (NEW) (*Effective October 1, 2018*) A protected series of a series  
45 limited liability company is a person distinct from:

46 (1) The company, subject to subsection (c) of section 4 of this act,  
47 subdivision (1) of section 24 of this act and subsection (d) of section 25  
48 of this act;

49 (2) Another protected series of the company;

50 (3) A member of the company, whether or not the member is an  
51 associated member of the protected series;

52 (4) A protected-series transferee of a protected series of the  
53 company; and

54 (5) A transferee of a transferable interest of the company.

55 Sec. 4. (NEW) (*Effective October 1, 2018*) (a) A protected series of a  
56 series limited liability company has the capacity to sue and be sued in  
57 its own name.

58 (b) Except as otherwise provided in subsections (c) and (d) of this  
59 section, a protected series of a series limited liability company has the  
60 same powers and purposes as the company.

61 (c) A protected series of a series limited liability company ceases to  
62 exist not later than when the company completes its winding up.

63 (d) A protected series of a series limited liability company may not:

64 (1) Be a member of the company;

65 (2) Establish a protected series; or

66 (3) Except as permitted by law of this state other than sections 1 to  
67 42, inclusive, of this act, have a purpose or power that the law of this

68 state other than sections 1 to 42, inclusive, of this act prohibits a limited  
69 liability company from doing or having.

70 Sec. 5. (NEW) (*Effective October 1, 2018*) The law of this state governs:

71 (1) The internal affairs of a protected series of a series limited  
72 liability company, including:

73 (A) Relations among any associated members of the protected  
74 series;

75 (B) Relations between the protected series and: (i) Any associated  
76 member; (ii) the protected-series manager; or (iii) any protected-series  
77 transferee;

78 (C) Relations between any associated member and: (i) The  
79 protected-series manager; or (ii) any protected-series transferee;

80 (D) The rights and duties of a protected-series manager;

81 (E) Governance decisions affecting the activities and affairs of the  
82 protected series and the conduct of those activities and affairs; and

83 (F) Procedures and conditions for becoming an associated member  
84 or protected-series transferee;

85 (2) The relations between a protected series of a series limited  
86 liability company and each of the following:

87 (A) The company;

88 (B) Another protected series of the company;

89 (C) A member of the company which is not an associated member of  
90 the protected series;

91 (D) A protected-series manager that is not a protected-series  
92 manager of the protected series; and

93 (E) A protected-series transferee that is not a protected-series

94 transferee of the protected series;

95 (3) The liability of a person for a debt, obligation or other liability of  
96 a protected series of a series limited liability company if the debt,  
97 obligation or liability is asserted solely by reason of the person being or  
98 acting as:

99 (A) An associated member, protected-series transferee, or protected-  
100 series manager of the protected series;

101 (B) A member of the company which is not an associated member of  
102 the protected series;

103 (C) A protected-series manager that is not a protected-series  
104 manager of the protected series;

105 (D) A protected-series transferee that is not a protected-series  
106 transferee of the protected series;

107 (E) A manager of the company; or

108 (F) A transferee of a transferable interest of the company;

109 (4) The liability of a series limited liability company for a debt,  
110 obligation or other liability of a protected series of the company if the  
111 debt, obligation or liability is asserted solely by reason of the company:

112 (A) Having delivered to the Secretary of the State for filing (i) under  
113 subsection (b) of section 9 of this act a protected series designation  
114 pertaining to the protected series, or (ii) under subsection (d) of section  
115 9 of this act or subsection (c) of section 10 of this act a statement of  
116 designation change pertaining to the protected series;

117 (B) Being or acting as a protected-series manager of the protected  
118 series;

119 (C) Having the protected series be or act as a manager of the  
120 company; or

121 (D) Owning a protected-series transferable interest of the protected  
122 series; and

123 (5) The liability of a protected series of a series limited liability  
124 company for a debt, obligation or other liability of the company or of  
125 another protected series of the company if the debt, obligation or  
126 liability is asserted solely by reason of:

127 (A) The protected series: (i) Being a protected series of the company  
128 or having as a protected-series manager the company or another  
129 protected series of the company; or (ii) being or acting as a protected-  
130 series manager of another protected series of the company or a  
131 manager of the company; or

132 (B) The company owning a protected-series transferable interest of  
133 the protected series.

134 Sec. 6. (NEW) (*Effective October 1, 2018*) (a) Except as otherwise  
135 provided in this section and subject to sections 7 and 8 of this act, the  
136 operating agreement of a series limited liability company governs:

137 (1) The internal affairs of a protected series, including:

138 (A) Relations among any associated members of the protected  
139 series;

140 (B) Relations among the protected series and: (i) Any associated  
141 member; (ii) the protected-series manager; or (iii) any protected-series  
142 transferee;

143 (C) Relations between any associated member and: (i) The  
144 protected-series manager; or (ii) any protected-series transferee;

145 (D) The rights and duties of a protected-series manager;

146 (E) Governance decisions affecting the activities and affairs of the  
147 protected series and the conduct of those activities and affairs; and

148 (F) Procedures and conditions for becoming an associated member

149 or protected-series transferee;

150 (2) Relations among the protected series, the company and any  
151 other protected series of the company;

152 (3) Relations between:

153 (A) The protected series, its protected-series manager, any  
154 associated member of the protected series or any protected-series  
155 transferee of the protected series; and

156 (B) A person in the person's capacity as: (i) A member of the  
157 company which is not an associated member of the protected series;  
158 (ii) a protected-series transferee or protected-series manager of another  
159 protected series; or (iii) a transferee of the company.

160 (b) If any provision of chapter 613a of the general statutes restricts  
161 the power of an operating agreement to affect a matter, the restriction  
162 applies to a matter under sections 1 to 42, inclusive, of this act in  
163 accordance with section 8 of this act.

164 (c) If law of this state other than sections 1 to 42, inclusive, of this act  
165 imposes a prohibition, limitation, requirement, condition, obligation,  
166 liability or other restriction on a limited liability company, a member,  
167 manager or other agent of the company, or a transferee of the  
168 company, except as otherwise provided in law of this state other than  
169 sections 1 to 42, inclusive, of this act, the restriction applies in  
170 accordance with section 8 of this act.

171 (d) Except as otherwise provided in section 7 of this act, if the  
172 operating agreement of a series limited liability company does not  
173 provide for a matter described in subsection (a) of this section in a  
174 manner permitted by sections 1 to 42, inclusive, of this act, the matter  
175 is determined in accordance with the following rules:

176 (1) To the extent sections 1 to 42, inclusive, of this act address the  
177 matter, sections 1 to 42, inclusive, of this act govern.

178 (2) To the extent sections 1 to 42, inclusive, of this act do not address  
179 the matter, chapter 613a of the general statutes governs the matter in  
180 accordance with section 8 of this act.

181 Sec. 7. (NEW) (*Effective October 1, 2018*) (a) An operating agreement  
182 may not vary the effect of:

183 (1) This section;

184 (2) Section 3 of this act;

185 (3) Subsection (a) of section 4 of this act;

186 (4) Subsection (b) of section 4 of this act to provide a protected series  
187 a power beyond the powers chapter 613a of the general statutes  
188 provides a limited liability company;

189 (5) Subsection (c) or (d) of section 4 of this act;

190 (6) Section 5 of this act;

191 (7) Section 6 of this act;

192 (8) Section 8 of this act;

193 (9) Section 9 of this act, except to vary the manner in which a limited  
194 liability company approves establishing a protected series;

195 (10) Section 10 of this act;

196 (11) Section 15 of this act;

197 (12) Section 16 of this act;

198 (13) Subsection (a) or (b) of section 17 of this act;

199 (14) Subsection (c) or (f) of section 18 of this act;

200 (15) Section 20 of this act, except to decrease or eliminate a limitation  
201 of liability stated in section 20 of this act;



- 202 (16) Section 21 of this act;
- 203 (17) Section 22 of this act;
- 204 (18) Section 23 of this act;
- 205 (19) Subdivisions (1), (4) and (5) of section 24 of this act;
- 206 (20) Section 25 of this act, except to designate a different person to  
207 manage winding up;
- 208 (21) Section 26 of this act;
- 209 (22) Sections 27 to 34, inclusive, of this act;
- 210 (23) Sections 35 to 38, inclusive, of this act;
- 211 (24) Sections 39 to 42, inclusive, of this act, except to vary:
- 212 (A) The manner in which a series limited liability company may  
213 elect under subdivision (2) of subsection (a) of section 41 of this act to  
214 be subject to sections 1 to 42, inclusive, of this act; or
- 215 (B) The person that has the right to sign and deliver to the Secretary  
216 of the State for filing a record under subdivision (2) of subsection (b) of  
217 section 41 of this act; or
- 218 (25) A provision of sections 1 to 42, inclusive, of this act pertaining  
219 to:
- 220 (A) Registered agents; or
- 221 (B) The Secretary of the State, including provisions pertaining to  
222 records authorized or required to be delivered to the Secretary of the  
223 State for filing under sections 1 to 42, inclusive, of this act.
- 224 (b) An operating agreement may not unreasonably restrict the  
225 duties and rights under section 19 of this act but may impose  
226 reasonable restrictions on the availability and use of information  
227 obtained under section 19 of this act and may provide appropriate

228 remedies, including liquidated damages, for a breach of any  
229 reasonable restriction on use.

230       Sec. 8. (NEW) (*Effective October 1, 2018*) (a) Except as otherwise  
231 provided in subsection (b) of this section and section 7 of this act, the  
232 following rules apply in applying section 6 of this act, subsections (c)  
233 and (f) of section 18 of this act, subparagraph (A) of subdivision (4) of  
234 section 24 of this act, subsection (a) of section 25 of this act, and  
235 subdivision (2) of section 26 of this act:

236       (1) A protected series of a series limited liability company is deemed  
237 to be a limited liability company that is formed separately from the  
238 series limited liability company and is distinct from the series limited  
239 liability company and any other protected series of the series limited  
240 liability company.

241       (2) An associated member of the protected series is deemed to be a  
242 member of the company deemed to exist under subdivision (1) of this  
243 subsection.

244       (3) A protected-series transferee of the protected series is deemed to  
245 be a transferee of the company deemed to exist under subdivision (1)  
246 of this subsection.

247       (4) A protected-series transferable interest of the protected series is  
248 deemed to be a transferable interest of the company deemed to exist  
249 under subdivision (1) of this subsection.

250       (5) A protected-series manager is deemed to be a manager of the  
251 company deemed to exist under subdivision (1) of this subsection.

252       (6) An asset of the protected series is deemed to be an asset of the  
253 company deemed to exist under subdivision (1) of this subsection,  
254 whether or not the asset is an associated asset of the protected series.

255       (7) Any creditor or other obligee of the protected series is deemed to  
256 be a creditor or obligee of the company deemed to exist under  
257 subdivision (1) of this subsection.

258 (b) Subsection (a) of this section does not apply if its application  
259 would:

260 (1) Contravene the provisions of section 34-243d of the general  
261 statutes; or

262 (2) Authorize or require the Secretary of the State to:

263 (A) Accept for filing a type of record that neither sections 1 to 42,  
264 inclusive, of this act nor chapter 613a of the general statutes authorizes  
265 or requires a person to deliver to the Secretary of the State for filing; or

266 (B) Make or deliver a record that neither sections 1 to 42, inclusive,  
267 of this act nor chapter 613a of the general statutes authorizes or  
268 requires the Secretary of the State to make or deliver.

269 Sec. 9. (NEW) (*Effective October 1, 2018*) (a) With the affirmative vote  
270 or consent of all members of a limited liability company, the company  
271 may establish a protected series.

272 (b) To establish a protected series, a limited liability company shall  
273 deliver to the Secretary of the State for filing a protected series  
274 designation, signed by the company, stating the name of the company  
275 and the name of the protected series to be established.

276 (c) A protected series is established when the protected series  
277 designation takes effect under section 34-247f of the general statutes.

278 (d) To amend a protected series designation, a series limited liability  
279 company shall deliver to the Secretary of the State for filing a  
280 statement of designation change, signed by the company, that changes  
281 the name of the company, the name of the protected series to which the  
282 designation applies, or both. The change takes effect when the  
283 statement of designation change takes effect under section 34-247f of  
284 the general statutes.

285 Sec. 10. (NEW) (*Effective October 1, 2018*) (a) Except as otherwise  
286 provided in subsection (b) of this section, the name of a protected

287 series shall comply with section 34-243k of the general statutes.

288 (b) The name of a protected series of a series limited liability  
289 company shall:

290 (1) Begin with the name of the company, including any word or  
291 abbreviation required by subsection (a) of section 34-243k of the  
292 general statutes; and

293 (2) Contain the phrase "Protected Series" or "protected series" or the  
294 abbreviation "P.S." or "PS".

295 (c) If a series limited liability company changes its name, the  
296 company shall deliver to the Secretary of the State for filing a  
297 statement of designation change for each of the company's protected  
298 series, changing the name of each protected series to comply with this  
299 section.

300 Sec. 11. (NEW) (*Effective October 1, 2018*) (a) The registered agent in  
301 this state for a series limited liability company is the registered agent in  
302 this state for each protected series of the company.

303 (b) Before delivering a protected series designation to the Secretary  
304 of the State for filing, a limited liability company shall agree with a  
305 registered agent that the agent will serve as the registered agent in this  
306 state for both the company and the protected series.

307 (c) A person that signs a protected series designation delivered to  
308 the Secretary of the State for filing affirms as a fact that the limited  
309 liability company on whose behalf the designation is delivered has  
310 complied with subsection (b) of this section.

311 (d) A person that ceases to be the registered agent for a series  
312 limited liability company ceases to be the registered agent for each  
313 protected series of the company.

314 (e) A person that ceases to be the registered agent for a protected  
315 series of a series limited liability company, other than as a result of the

316 termination of the protected series, ceases to be the registered agent of  
317 the company and any other protected series of the company.

318 (f) Except as otherwise agreed by a series limited liability company  
319 and its registered agent, the agent is not obligated to distinguish  
320 between a process, notice, demand or other record concerning the  
321 company and a process, notice, demand or other record concerning a  
322 protected series of the company.

323 Sec. 12. (NEW) (*Effective October 1, 2018*) (a) A protected series of a  
324 series limited liability company may be served with a process, notice,  
325 demand or other record required or permitted by law by:

326 (1) Serving the company;

327 (2) Serving the registered agent of the protected series; or

328 (3) Other means authorized by law of this state other than chapter  
329 613a of the general statutes.

330 (b) Service of a summons and complaint on a series limited liability  
331 company is notice to each protected series of the company of service of  
332 the summons and complaint and the contents of the complaint.

333 (c) Service of a summons and complaint on a protected series of a  
334 series limited liability company is notice to the company and any other  
335 protected series of the company of service of the summons and  
336 complaint and the contents of the complaint.

337 (d) Service of a summons and complaint on a foreign series limited  
338 liability company is notice to each foreign protected series of the  
339 foreign company of service of the summons and complaint and the  
340 contents of the complaint.

341 (e) Service of a summons and complaint on a foreign protected  
342 series of a foreign series limited liability company is notice to the  
343 foreign company and any other foreign protected series of the  
344 company of service of the summons and complaint and the contents of

345 the complaint.

346 (f) Notice to a person under subsection (b), (c), (d) or (e) of this  
347 section is effective whether or not the summons and complaint identify  
348 the person if the summons and complaint name as a party and  
349 identify:

350 (1) The series limited liability company or a protected series of the  
351 company; or

352 (2) The foreign series limited liability company or a foreign  
353 protected series of the foreign company.

354 Sec. 13. (NEW) (*Effective October 1, 2018*) (a) On request of any  
355 person, the Secretary of the State shall issue a certificate of good  
356 standing for a protected series of a series limited liability company or a  
357 certificate of registration for a foreign protected series if:

358 (1) In the case of a protected series:

359 (A) No statement of dissolution, termination or relocation  
360 pertaining to the protected series has been filed; and

361 (B) The company has delivered to the Secretary of the State for filing  
362 the most recent annual report required by section 34-247k of the  
363 general statutes and the report includes the name of the protected  
364 series, unless: (i) When the company delivered the report for filing, the  
365 protected series designation pertaining to the protected series had not  
366 yet taken effect; or (ii) after the company delivered the report for filing,  
367 the company delivered to the Secretary of the State for filing a  
368 statement of designation change changing the name of the protected  
369 series; or

370 (2) In the case of a foreign protected series, it is registered to do  
371 business in this state.

372 (b) A certificate issued under subsection (a) of this section shall  
373 state:

374 (1) In the case of a protected series:

375 (A) The name of the protected series of the series limited liability  
376 company and the name of the company;

377 (B) That the requirements of subsection (a) of this section are met;

378 (C) The date the protected series designation pertaining to the  
379 protected series took effect; and

380 (D) If a statement of designation change pertaining to the protected  
381 series has been filed, the effective date and contents of the statement;

382 (2) In the case of a foreign protected series, that it is registered to do  
383 business in this state;

384 (3) That the fees, taxes, interest and penalties owed to this state by  
385 the protected series or foreign protected series and collected through  
386 the Secretary of the State have been paid, if:

387 (A) Payment is reflected in the records of the Secretary of the State;  
388 and

389 (B) Nonpayment affects the good standing of the protected series;  
390 and

391 (4) Other facts reflected in the records of the Secretary of the State  
392 pertaining to the protected series or foreign protected series which the  
393 person requesting the certificate reasonably requests.

394 (c) Subject to any qualification stated by the Secretary of the State in  
395 a certificate issued under subsection (a) of this section, the certificate  
396 may be relied on as conclusive evidence of the facts stated in the  
397 certificate.

398 Sec. 14. (NEW) (*Effective October 1, 2018*) (a) In the annual report  
399 required by section 34-247k of the general statutes, a series limited  
400 liability company shall include the name of each protected series of the  
401 company:

402 (1) For which the company has previously delivered to the Secretary  
403 of the State for filing a protected series designation; and

404 (2) Which has not dissolved and completed winding up.

405 (b) A failure by a series limited liability company to comply with  
406 subsection (a) of this section with regard to a protected series prevents  
407 issuance of a certificate of good standing pertaining to the protected  
408 series but does not otherwise affect the protected series.

409 Sec. 15. (NEW) (*Effective October 1, 2018*) (a) Only an asset of a  
410 protected series may be an associated asset of the protected series.  
411 Only an asset of a series limited liability company may be an  
412 associated asset of the company.

413 (b) An asset of a protected series of a series limited liability  
414 company is an associated asset of the protected series only if the  
415 protected series creates and maintains records that state the name of  
416 the protected series and describe the asset with sufficient specificity to  
417 permit a disinterested, reasonable individual to:

418 (1) Identify the asset and distinguish it from any other asset of the  
419 protected series, any asset of the company and any asset of any other  
420 protected series of the company;

421 (2) Determine when and from what person the protected series  
422 acquired the asset or how the asset otherwise became an asset of the  
423 protected series; and

424 (3) If the protected series acquired the asset from the company or  
425 another protected series of the company, determine any consideration  
426 paid, the payor and the payee.

427 (c) An asset of a series limited liability company is an associated  
428 asset of the company only if the company creates and maintains  
429 records that state the name of the company and describe the asset with  
430 sufficient specificity to permit a disinterested, reasonable individual to:



431 (1) Identify the asset and distinguish it from any other asset of the  
432 company and any asset of any protected series of the company;

433 (2) Determine when and from what person the company acquired  
434 the asset or how the asset otherwise became an asset of the company;  
435 and

436 (3) If the company acquired the asset from a protected series of the  
437 company, determine any consideration paid, the payor and the payee.

438 (d) The records and recordkeeping required by subsections (b) and  
439 (c) of this section may be organized by specific listing, category, type,  
440 quantity or computational or allocational formula or procedure,  
441 including a percentage or share of any asset, or in any other reasonable  
442 manner.

443 (e) To the extent permitted by this section and law of this state other  
444 than sections 1 to 42, inclusive, of this act, a series limited liability  
445 company or protected series of the company may hold an associated  
446 asset directly or indirectly, through a representative, nominee or  
447 similar arrangement, except that:

448 (1) A protected series may not hold an associated asset in the name  
449 of the company or another protected series of the company; and

450 (2) The company may not hold an associated asset in the name of a  
451 protected series of the company.

452 Sec. 16. (NEW) (*Effective October 1, 2018*) (a) Only a member of a  
453 series limited liability company may be an associated member of a  
454 protected series of the company.

455 (b) A member of a series limited liability company becomes an  
456 associated member of a protected series of the company if the  
457 operating agreement or a procedure established by the agreement  
458 states:

459 (1) That the member is an associated member of the protected series;

460 (2) The date on which the member became an associated member;  
461 and

462 (3) Any protected-series transferable interest the associated member  
463 has in connection with becoming or being an associated member.

464 (c) If a person that is an associated member of a protected series of a  
465 series limited liability company is dissociated from the company, the  
466 person ceases to be an associated member of the protected series.

467 Sec. 17. (NEW) (*Effective October 1, 2018*) (a) A protected-series  
468 transferable interest of a protected series of a series limited liability  
469 company shall be owned initially by an associated member of the  
470 protected series or the company.

471 (b) If a protected series of a series limited liability company has no  
472 associated members when established, the company owns the  
473 protected-series transferable interests in the protected series.

474 (c) In addition to acquiring a protected series transferable series  
475 interest under subsection (b) of this section, a series limited liability  
476 company may acquire a series transferable interest through a transfer  
477 from another person or as provided in the operating agreement.

478 (d) Except for subdivision (3) of subsection (a) of section 8 of this  
479 act, a provision of sections 1 to 42, inclusive, of this act that applies to a  
480 protected-series transferee of a protected series of a series limited  
481 liability company applies to the company in its capacity as an owner of  
482 a protected-series transferable interest of the protected series. A  
483 provision of the operating agreement of a series limited liability  
484 company that applies to a protected-series transferee of a protected  
485 series of the company applies to the company in its capacity as an  
486 owner of a protected-series transferable interest of the protected series.

487 Sec. 18. (NEW) (*Effective October 1, 2018*) (a) A protected series may  
488 have more than one protected-series manager.

489 (b) If a protected series has no associated members, the series

490 limited liability company is the protected-series manager.

491 (c) Section 8 of this act applies to determine any duties of a  
492 protected-series manager of a protected series of a series limited  
493 liability company to:

494 (1) The protected series;

495 (2) Any associated member of the protected series; and

496 (3) Any protected-series transferee of the protected series.

497 (d) Solely by reason of being or acting as a protected-series manager  
498 of a protected series of a series limited liability company, a person  
499 owes no duty to:

500 (1) The company;

501 (2) Another protected series of the company; or

502 (3) Another person in that person's capacity as:

503 (A) A member of the company which is not an associated member  
504 of the protected series;

505 (B) A protected-series transferee or protected-series manager of  
506 another protected series; or

507 (C) A transferee of the company.

508 (e) An associated member of a protected series of a series limited  
509 liability company has the same rights as any other member of the  
510 company to vote on or consent to an amendment to the company's  
511 operating agreement or any other matter being decided by the  
512 members, whether or not the amendment or matter affects the interests  
513 of the protected series or the associated member.

514 (f) Part VIII of chapter 613a of the general statutes applies to a  
515 protected series in accordance with section 8 of this act.

516       Sec. 19. (NEW) (*Effective October 1, 2018*) (a) A member of a series  
517 limited liability company which is not an associated member of a  
518 protected series of the company has a right to information concerning  
519 the protected series to the same extent, in the same manner and under  
520 the same conditions that a member that is not a manager of a manager-  
521 managed limited liability company has a right to information  
522 concerning the company under section 34-255i of the general statutes.

523       (b) A person formerly an associated member of a protected series  
524 has a right to information concerning the protected series to the same  
525 extent, in the same manner and under the same conditions that a  
526 person dissociated as a member of a manager-managed limited  
527 liability company has a right to information concerning the company  
528 under section 34-255i of the general statutes.

529       (c) If an associated member of a protected series dies, the legal  
530 representative of the deceased associated member has a right to  
531 information concerning the protected series to the same extent, in the  
532 same manner and under the same conditions that the legal  
533 representative of a deceased member of a limited liability company has  
534 a right to information concerning the company under section 34-255i of  
535 the general statutes.

536       (d) A protected-series manager of a protected series has a right to  
537 information concerning the protected series to the same extent, in the  
538 same manner and under the same conditions that a manager of a  
539 manager-managed limited liability company has a right to information  
540 concerning the company under section 34-255i of the general statutes.

541       Sec. 20. (NEW) (*Effective October 1, 2018*) (a) A person is not liable,  
542 directly or indirectly, by way of contribution or otherwise, for a debt,  
543 obligation or other liability of:

544       (1) A protected series of a series limited liability company solely by  
545 reason of being or acting as: (A) An associated member, series manager  
546 or protected-series transferee of the protected series; or (B) a member,  
547 manager or transferee of the company; or

548 (2) A series limited liability company solely by reason of being or  
549 acting as an associated member, protected-series manager or  
550 protected-series transferee of a protected series of the company.

551 (b) Subject to section 23 of this act, the following rules apply:

552 (1) A debt, obligation or other liability of a series limited liability  
553 company is solely the debt, obligation or liability of the company.

554 (2) A debt, obligation or other liability of a protected series is solely  
555 the debt, obligation or liability of the protected series.

556 (3) A series limited liability company is not liable, directly or  
557 indirectly, by way of contribution or otherwise, for a debt, obligation  
558 or other liability of a protected series of the company solely by reason  
559 of the protected series being a protected series of the company or the  
560 company:

561 (A) Being or acting as a protected-series manager of the protected  
562 series;

563 (B) Having the protected series manage the company; or

564 (C) Owning a protected-series transferable interest of the protected  
565 series.

566 (4) A protected series of a series limited liability company is not  
567 liable, directly or indirectly, by way of contribution or otherwise, for a  
568 debt, obligation or other liability of the company or another protected  
569 series of the company solely by reason of:

570 (A) Being a protected series of the company;

571 (B) Being or acting as a manager of the company or a protected-  
572 series manager of another protected series of the company; or

573 (C) Having the company or another protected series of the company  
574 be or act as a protected-series manager of the protected series.

575       Sec. 21. (NEW) (*Effective October 1, 2018*) (a) Except as otherwise  
576 provided in subsection (b) of this section, a claim seeking to disregard  
577 a limitation in section 20 of this act is governed by the principles of law  
578 and equity, including a principle providing a right to a creditor or  
579 holding a person liable for a debt, obligation or other liability of  
580 another person, which would apply if each protected series of a series  
581 limited liability company were a limited liability company formed  
582 separately from the series limited liability company and distinct from  
583 the series limited liability company and any other protected series of  
584 the series limited liability company.

585       (b) The failure of a limited liability company or a protected series to  
586 observe a formality relating to the exercise of its powers or  
587 management of its activities and affairs is not a ground to disregard a  
588 limitation in subsection (a) of section 20 of this act, but may be a  
589 ground to disregard a limitation in subsection (b) of section 20 of this  
590 act.

591       (c) This section applies to a claim seeking to disregard a limitation of  
592 liability applicable to a foreign series limited liability company or  
593 foreign protected series and comparable to a limitation stated in  
594 section 20 of this act, if:

595       (1) The claimant is a resident of this state or doing business or  
596 registered to do business in this state; or

597       (2) The claim is to establish or enforce a liability arising under law of  
598 this state other than sections 1 to 42, inclusive, of this act or from an act  
599 or omission in this state.

600       Sec. 22. (NEW) (*Effective October 1, 2018*) Section 34-259b of the  
601 general statutes applies to a judgment creditor of:

602       (1) An associated member or protected-series transferee of a  
603 protected series; or

604       (2) A series limited liability company, to the extent the company  
605 owns a protected-series transferable interest of a protected series.

606 Sec. 23. (NEW) (*Effective October 1, 2018*) (a) As used in this section:

607 (1) "Enforcement date" means 12:01 a.m. on the date on which a  
608 claimant first serves process on a series limited liability company or  
609 protected series in an action seeking to enforce under this section a  
610 claim against an asset of the company or protected series by  
611 attachment, levy or the like.

612 (2) Subject to subsection (b) of section 34 of this act, "incurrence  
613 date" means the date on which a series limited liability company or  
614 protected series incurred the liability giving rise to a claim that a  
615 claimant seeks to enforce under this section.

616 (b) If a claim against a series limited liability company or a protected  
617 series of the company has been reduced to judgment, in addition to  
618 any other remedy provided by law or equity, the judgment may be  
619 enforced in accordance with the following rules:

620 (1) A judgment against the company may be enforced against an  
621 asset of a protected series of the company if the asset: (A) Was a non-  
622 associated asset of the protected series on the incurrence date; or (B) is  
623 a non-associated asset of the protected series on the enforcement date.

624 (2) A judgment against a protected series may be enforced against  
625 an asset of the company if the asset: (A) Was a non-associated asset of  
626 the company on the incurrence date; or (B) is a non-associated asset of  
627 the company on the enforcement date.

628 (3) A judgment against a protected series may be enforced against  
629 an asset of another protected series of the company if the asset: (A)  
630 Was a non-associated asset of the other protected series on the  
631 incurrence date; or (B) is a non-associated asset of the other protected  
632 series on the enforcement date.

633 (c) In addition to any other remedy provided by law or equity, if a  
634 claim against a series limited liability company or a protected series  
635 has not been reduced to a judgment and law other than sections 1 to  
636 42, inclusive, of this act permits a prejudgment remedy by attachment,

637 levy or the like, the court may apply subsection (b) of this section as a  
638 prejudgment remedy.

639 (d) In a proceeding under this section, the party asserting that an  
640 asset is or was an associated asset of a series limited liability company  
641 or a protected series of the company has the burden of proof on the  
642 issue.

643 (e) This section applies to an asset of a foreign series limited liability  
644 company or foreign protected series if:

645 (1) The asset is real or tangible property located in this state;

646 (2) The claimant is a resident of this state or doing business or  
647 registered to do business in this state, or the claim under this section is  
648 to enforce a judgment, or to seek a prejudgment remedy, pertaining to  
649 a liability arising under law of this state other than sections 1 to 42,  
650 inclusive, of this act or an act or omission in this state; and

651 (3) The asset is not identified in the records of the foreign series  
652 limited liability company or foreign protected series in a manner  
653 comparable to the manner required by section 15 of this act.

654 Sec. 24. (NEW) (*Effective October 1, 2018*) A protected series of a  
655 series limited liability company is dissolved, and its activities and  
656 affairs wound up, only on the:

657 (1) Dissolution of the company;

658 (2) Occurrence of an event or circumstance the operating agreement  
659 states causes dissolution of the protected series;

660 (3) Affirmative vote or consent of all members;

661 (4) Entry by the court of an order dissolving the protected series on  
662 application by an associated member or protected-series manager of  
663 the protected series:

664 (A) In accordance with section 8 of this act; and



665 (B) To the same extent, in the same manner and on the same  
666 grounds the court would enter an order dissolving a limited liability  
667 company on application by a member or manager of the company; or

668 (5) Entry by the court of an order dissolving the protected series on  
669 application by the company or a member of the company on the  
670 ground that the conduct of all or substantially all the activities and  
671 affairs of the protected series is illegal.

672 Sec. 25. (NEW) (*Effective October 1, 2018*) (a) Subject to subsections  
673 (b) and (c) of this section and in accordance with section 8 of this act:

674 (1) A dissolved protected series shall wind up its activities and  
675 affairs in the same manner that a limited liability company winds up  
676 its activities and affairs under section 34-267a of the general statutes,  
677 subject to the same requirements and conditions and with the same  
678 effects; and

679 (2) Judicial supervision or another judicial remedy is available in the  
680 winding up of the protected series to the same extent, in the same  
681 manner, under the same conditions and with the same effects that  
682 apply under section 34-267a of the general statutes.

683 (b) When a protected series of a series limited liability company  
684 dissolves, the company may deliver to the Secretary of the State for  
685 filing a statement of protected series dissolution stating the name of  
686 the company and the protected series and that the protected series is  
687 dissolved. The filing of the statement by the Secretary of the State has  
688 the same effect as the filing by the Secretary of the State of a certificate  
689 of dissolution under section 34-267a of the general statutes.

690 (c) When a protected series of a series limited liability company has  
691 completed winding up, the company may deliver to the Secretary of  
692 the State for filing a statement of designation cancellation stating the  
693 name of the company and the protected series and that the protected  
694 series is terminated. The filing of the statement by the Secretary of the  
695 State has the same effect as the filing by the Secretary of the State of a

696 certificate of dissolution under subsection (b) of section 34-267a of the  
697 general statutes.

698 (d) A series limited liability company has not completed its winding  
699 up until each of the protected series of the company has completed its  
700 winding up.

701 Sec. 26. (NEW) (*Effective October 1, 2018*) If a series limited liability  
702 company that has been administratively dissolved is reinstated, or a  
703 series limited liability company that voluntarily dissolved rescinds its  
704 dissolution:

705 (1) Each protected series of the company ceases winding up; and

706 (2) Section 34-267b of the general statutes applies to each protected  
707 series of the company in accordance with section 8 of this act.

708 Sec. 27. (NEW) (*Effective October 1, 2018*) As used in this section and  
709 sections 28 to 34, inclusive, of this act:

710 (1) "After a merger" or "after the merger" means when a merger  
711 under section 30 of this act becomes effective and afterwards.

712 (2) "Before a merger" or "before the merger" means before a merger  
713 under section 30 of this act becomes effective.

714 (3) "Continuing protected series" means a protected series of a  
715 surviving company which continues in uninterrupted existence after a  
716 merger under section 30 of this act.

717 (4) "Merging company" means a limited liability company that is  
718 party to a merger under section 30 of this act.

719 (5) "Non-surviving company" means a merging company that does  
720 not continue in existence after a merger under section 30 of this act.

721 (6) "Relocated protected series" means a protected series of a non-  
722 surviving company which, after a merger under section 30 of this act,  
723 continues in uninterrupted existence as a protected series of the

724 surviving company.

725 (7) "Surviving company" means a merging company that continues  
726 in existence after a merger under section 30 of this act.

727 Sec. 28. (NEW) (*Effective October 1, 2018*) A protected series may not:

728 (1) Be an acquiring, acquired, converting, converted, merging or  
729 surviving entity;

730 (2) Participate in a domestication; or

731 (3) Be a party to or be formed, organized, established or created in a  
732 transaction substantially like a merger, interest exchange, conversion  
733 or domestication.

734 Sec. 29. (NEW) (*Effective October 1, 2018*) A series limited liability  
735 company may not be:

736 (1) An acquiring, acquired, converting, converted, domesticating or  
737 domesticated entity; or

738 (2) Except as otherwise provided in section 30 of this act, a party to  
739 or the surviving company of a merger.

740 Sec. 30. (NEW) (*Effective October 1, 2018*) A series limited liability  
741 company may be party to a merger in accordance with sections 34-  
742 279h to 34-279k, inclusive, of the general statutes, this section and  
743 sections 31 to 34, inclusive, of this act only if:

744 (1) Each other party to the merger is a limited liability company; and

745 (2) The surviving company is not created in the merger.

746 Sec. 31. (NEW) (*Effective October 1, 2018*) In a merger under section  
747 30 of this act, the plan of merger shall:

748 (1) Comply with section 34-279h of the general statutes; and

749 (2) State in a record:

750 (A) For any protected series of a non-surviving company, whether  
751 after the merger the protected series will be a relocated protected series  
752 or be dissolved, wound up and terminated;

753 (B) For any protected series of the surviving company which exists  
754 before the merger, whether after the merger the protected series will be  
755 a continuing protected series or be dissolved, wound up and  
756 terminated;

757 (C) For each relocated protected series or continuing protected  
758 series:

759 (i) The name of any person that becomes an associated member or  
760 protected-series transferee of the protected series after the merger, any  
761 consideration to be paid by, on behalf of, or in respect of the person,  
762 the name of the payor and the name of the payee;

763 (ii) The name of any person whose rights or obligations in the  
764 person's capacity as an associated member or protected-series  
765 transferee will change after the merger;

766 (iii) Any consideration to be paid to a person who before the merger  
767 was an associated member or protected-series transferee of the  
768 protected series and the name of the payor; and

769 (iv) If after the merger the protected series will be a relocated  
770 protected series, its new name;

771 (D) For any protected series to be established by the surviving  
772 company as a result of the merger:

773 (i) The name of the protected series;

774 (ii) Any protected-series transferable interest to be owned by the  
775 surviving company when the protected series is established; and

776 (iii) The name of and any protected-series transferable interest  
777 owned by any person that will be an associated member of the  
778 protected series when the protected series is established; and

779 (E) For any person that is an associated member of a relocated  
780 protected series and will remain a member after the merger, any  
781 amendment to the operating agreement of the surviving company  
782 which:

783 (i) Is or is proposed to be in a record; and

784 (ii) Is necessary or appropriate to state the rights and obligations of  
785 the person as a member of the surviving company.

786 Sec. 32. (NEW) (*Effective October 1, 2018*) In a merger under section  
787 30 of this act, the statement of merger shall:

788 (1) Comply with the requirements for a certificate of merger under  
789 section 34-279j of the general statutes; and

790 (2) Include as an attachment the following records, each to become  
791 effective when the merger becomes effective:

792 (A) For a protected series of a merging company being terminated  
793 as a result of the merger, a statement of termination signed by the  
794 company;

795 (B) For a protected series of a non-surviving company which after  
796 the merger will be a relocated protected series:

797 (i) A statement of relocation signed by the non-surviving company  
798 which contains the name of the company and the name of the  
799 protected series before and after the merger; and

800 (ii) A statement of protected series designation signed by the  
801 surviving company; and

802 (C) For a protected series being established by the surviving  
803 company as a result of the merger, a statement of designation signed  
804 by the company.

805 Sec. 33. (NEW) (*Effective October 1, 2018*) When a merger under  
806 section 30 of this act becomes effective, in addition to the effects stated

807 in section 34-279k of the general statutes:

808 (1) As provided in the plan of merger, each protected series of each  
809 merging company which was established before the merger:

810 (A) Is a relocated protected series or continuing protected series; or

811 (B) Is dissolved, wound up, and terminated;

812 (2) Any protected series to be established as a result of the merger is  
813 established;

814 (3) Any relocated protected series or continuing protected series is  
815 the same person without interruption as it was before the merger;

816 (4) All property of a relocated protected series or continuing  
817 protected series continues to be vested in the protected series without  
818 transfer, reversion or impairment;

819 (5) All debts, obligations and other liabilities of a relocated protected  
820 series or continuing protected series continue as debts, obligations and  
821 other liabilities of the protected series;

822 (6) Except as otherwise provided by law or the plan of merger, all  
823 the rights, privileges, immunities, powers and purposes of a relocated  
824 protected series or continuing protected series remain in the protected  
825 series;

826 (7) The new name of a relocated protected series may be substituted  
827 for the former name of the protected series in any pending action or  
828 proceeding;

829 (8) If provided in the plan of merger:

830 (A) A person becomes an associated member or protected-series  
831 transferee of a relocated protected series or continuing protected series;

832 (B) A person becomes an associated member of a protected series  
833 established by the surviving company as a result of the merger;

834 (C) Any change in the rights or obligations of a person in the  
835 person's capacity as an associated member or protected-series  
836 transferee of a relocated protected series or continuing protected series  
837 take effect; and

838 (D) Any consideration to be paid to a person that before the merger  
839 was an associated member or protected-series transferee of a relocated  
840 protected series or continuing protected series is due; and

841 (9) Any person that is a member of a relocated protected series  
842 becomes a member of the surviving company, if not already a member.

843 Sec. 34. (NEW) (*Effective October 1, 2018*) (a) A creditor's right that  
844 existed under section 23 of this act immediately before a merger under  
845 section 30 of this act may be enforced after the merger in accordance  
846 with the following rules:

847 (1) A creditor's right that existed immediately before the merger  
848 against the surviving company, a continuing protected series or a  
849 relocated protected series continues without change after the merger.

850 (2) A creditor's right that existed immediately before the merger  
851 against a non-surviving company:

852 (A) May be asserted against an asset of the non-surviving company  
853 which vested in the surviving company as a result of the merger; and

854 (B) Does not otherwise change.

855 (3) Subject to subsection (b) of this section, the following rules  
856 apply:

857 (A) In addition to the remedy stated in subdivision (1) of this  
858 subsection, a creditor with a right under section 23 of this act which  
859 existed immediately before the merger against a non-surviving  
860 company or a relocated protected series may assert the right against: (i)  
861 An asset of the surviving company, other than an asset of the non-  
862 surviving company which vested in the surviving company as a result

863 of the merger; (ii) an asset of a continuing protected series; (iii) an asset  
864 of a protected series established by the surviving company as a result  
865 of the merger; (iv) if the creditor's right was against an asset of the non-  
866 surviving company, an asset of a relocated series; or (v) if the creditor's  
867 right was against an asset of a relocated protected series, an asset of  
868 another relocated protected series.

869 (B) In addition to the remedy stated in subdivision (2) of this  
870 subsection, a creditor with a right that existed immediately before the  
871 merger against the surviving company or a continuing protected series  
872 may assert the right against:

873 (i) An asset of a relocated protected series; or

874 (ii) An asset of a non-surviving company which vested in the  
875 surviving company as a result of the merger.

876 (b) For the purposes of subdivision (3) of subsection (a) of this  
877 section and subparagraph (A) of subdivision (1) of subsection (b) of  
878 section 23 of this act, subparagraph (A) of subdivision (2) of subsection  
879 (b) of section 23 of this act and subparagraph (A) of subdivision (3) of  
880 subsection (b) of section 23 of this act, the incurrence date is deemed be  
881 the date on which the merger becomes effective.

882 (c) A merger under section 30 of this act does not affect the manner  
883 in which section 23 of this act applies to a liability incurred after the  
884 merger.

885 Sec. 35. (NEW) (*Effective October 1, 2018*) The law of the jurisdiction  
886 of formation of a foreign series limited liability company governs:

887 (1) The internal affairs of a foreign protected series of the company,  
888 including:

889 (A) Relations among any associated members of the foreign  
890 protected series;

891 (B) Relations between the foreign protected series and: (i) Any



892 associated member; (ii) the protected-series manager; or (iii) any  
893 protected-series transferee;

894 (C) Relations between any associated member and: (i) The  
895 protected-series manager; or (ii) any protected-series transferee;

896 (D) The rights and duties of a protected-series manager;

897 (E) Governance decisions affecting the activities and affairs of the  
898 foreign protected series and the conduct of those activities and affairs;  
899 and

900 (F) Procedures and conditions for becoming an associated member  
901 or protected-series transferee;

902 (2) Relations between the foreign protected series and:

903 (A) The company;

904 (B) Another foreign protected series of the company;

905 (C) A member of the company which is not an associated member of  
906 the foreign protected series;

907 (D) A foreign protected-series manager that is not a protected-series  
908 manager of the protected series;

909 (E) A foreign protected-series transferee that is not a foreign  
910 protected-series transferee of the protected series; and

911 (F) A transferee of a transferable interest of the company;

912 (3) Except as otherwise provided in sections 21 and 23 of this act, the  
913 liability of a person for a debt, obligation or other liability of a foreign  
914 protected series of a foreign series limited liability company if the debt,  
915 obligation or liability is asserted solely by reason of the person being or  
916 acting as:

917 (A) An associated member, protected-series transferee or protected-  
918 series manager of the foreign protected series;

919 (B) A member of the company which is not an associated member of  
920 the foreign protected series;

921 (C) A protected-series manager of another foreign protected series  
922 of the company;

923 (D) A protected-series transferee of another foreign protected series  
924 of the company;

925 (E) A manager of the company; or

926 (F) A transferee of a transferable interest of the company; and

927 (4) Except as otherwise provided in sections 21 and 23 of this act:

928 (A) The liability of the foreign series limited liability company for a  
929 debt, obligation or other liability of a foreign protected series of the  
930 company if the debt, obligation or liability is asserted solely by reason  
931 of the foreign protected series being a foreign protected series of the  
932 company or the company: (i) Being or acting as a foreign protected-  
933 series manager of the foreign protected series; (ii) having the foreign  
934 protected series manage the company; or (iii) owning a protected-  
935 series transferable interest of the foreign protected series; and

936 (B) The liability of a foreign protected series for a debt, obligation or  
937 other liability of the company or another foreign protected series of the  
938 company if the debt, obligation or liability is asserted solely by reason  
939 of the foreign protected series: (i) Being a foreign protected series of  
940 the company or having the company or another foreign protected  
941 series of the company be or act as a foreign protected-series manager  
942 of the foreign protected series; or (ii) managing the company or being  
943 or acting as a foreign protected-series manager of another foreign  
944 protected series of the company.

945 Sec. 36. (NEW) (*Effective October 1, 2018*) In determining whether a  
946 foreign series limited liability company or foreign protected series of  
947 the company does business in this state or is subject to the personal  
948 jurisdiction of the courts of this state:

949 (1) The activities and affairs of the company are not attributable to a  
950 foreign protected series of the company solely by reason of the foreign  
951 protected series being a foreign protected series of the company; and

952 (2) The activities and affairs of a foreign protected series are not  
953 attributable to the company or another foreign protected series of the  
954 company solely by reason of the foreign protected series being a  
955 foreign protected series of the company.

956 Sec. 37. (NEW) (*Effective October 1, 2018*) (a) Except as otherwise  
957 provided in this section and subject to sections 21 and 23 of this act, the  
958 law of this state governing the registration of a foreign limited liability  
959 company to do business in this state, including the consequences of not  
960 complying with that law, applies to a foreign protected series of a  
961 foreign series limited liability company as if the foreign protected  
962 series were a foreign limited liability company formed separately from  
963 the foreign series limited liability company and distinct from the  
964 foreign series limited liability company and any other foreign  
965 protected series of the foreign series limited liability company.

966 (b) An application by a foreign protected series of a foreign series  
967 limited liability company for registration to do business in this state  
968 shall include:

969 (1) The name and jurisdiction of formation of the foreign series  
970 limited liability company; and

971 (2) If the company has other foreign protected series, the name and  
972 street and mailing address of an individual who knows the name and  
973 street and mailing address of:

974 (A) Each other foreign protected series of the foreign series limited  
975 liability company; and

976 (B) The foreign protected-series manager of and agent for service of  
977 process for each other foreign protected series of the foreign series  
978 limited liability company.

979 (c) The name of a foreign protected series applying for registration  
980 or registered to do business in this state shall comply with section 10 of  
981 this act and may do so using an alternate name adopted pursuant to  
982 section 34-275e of the general statutes, if the name complies with  
983 section 10 of this act.

984 (d) The requirement in section 34-275c of the general statutes to  
985 amend a foreign registration certificate to update information applies  
986 to the information required by subsection (b) of this section.

987 Sec. 38. (NEW) (*Effective October 1, 2018*) (a) Not later than thirty  
988 days after becoming a party to a proceeding before a civil,  
989 administrative or other adjudicative tribunal of or located in this state  
990 or a tribunal of the United States located in this state:

991 (1) A foreign series limited liability company shall disclose to each  
992 other party the name and street and mailing address of:

993 (A) Each foreign protected series of the company; and

994 (B) Each foreign protected-series manager of and a registered agent  
995 for service of process for each foreign protected series of the company;  
996 and

997 (2) A foreign protected series of a foreign series limited liability  
998 company shall disclose to each other party the name and street and  
999 mailing address of:

1000 (A) The company and each manager of the company and an agent  
1001 for service of process for the company; and

1002 (B) Any other foreign protected series of the company and each  
1003 foreign protected-series manager of and an agent for service of process  
1004 for the other foreign protected series.

1005 (b) If a foreign series limited liability company or foreign protected  
1006 series challenges the personal jurisdiction of the tribunal, the  
1007 requirement that the foreign company or foreign protected series make

1008 a disclosure under subsection (a) of this section is tolled until the  
1009 tribunal determines whether it has personal jurisdiction.

1010 (c) If a foreign series limited liability company or foreign protected  
1011 series does not comply with subsection (a) of this section, a party to the  
1012 proceeding may:

1013 (1) Request the tribunal to treat the noncompliance as a failure to  
1014 comply with the tribunal's discovery rules; or

1015 (2) Bring a separate proceeding in the court to enforce subsection (a)  
1016 of this section.

1017 Sec. 39. (NEW) (*Effective October 1, 2018*) In applying and construing  
1018 sections 1 to 42, inclusive, of this uniform act, consideration shall be  
1019 given to the need to promote uniformity of the law with respect to its  
1020 subject matter among states that enact it.

1021 Sec. 40. (NEW) (*Effective October 1, 2018*) The provisions of sections 1  
1022 to 42, inclusive, of this act modify, limit and supersede the Electronic  
1023 Signatures in Global and National Commerce Act, 15 USC 7001 et seq.,  
1024 but do not modify, limit or supersede Section 101(c) of said act, 15 USC  
1025 7001(c), or authorize electronic delivery of any of the notices described  
1026 in Section 103(b) of said act, 15 USC 7003(b).

1027 Sec. 41. (NEW) (*Effective October 1, 2018*) (a) Sections 1 to 42,  
1028 inclusive, of this act govern only:

1029 (1) A series limited liability company formed, or a protected series  
1030 established, on or after October 1, 2018; and

1031 (2) A limited liability company that is a series limited liability  
1032 company before October 1, 2018, and elects, in the manner provided in  
1033 its operating agreement or by law for amending the operating  
1034 agreement, to be subject to sections 1 to 42, inclusive, of this act.

1035 (b) If a series limited liability company elects under subdivision (2)  
1036 of subsection (a) of this section to be subject to sections 1 to 42,

1037 inclusive, of this act:

1038 (1) The election applies to each protected series of the company,  
1039 whenever established; and

1040 (2) A manager of the company has the right to sign and deliver to  
1041 the Secretary of the State for filing any record necessary to comply  
1042 with sections 1 to 42, inclusive, of this act, whether the record pertains  
1043 to the company, a protected series of the company, or both.

1044 (c) On and after October 1, 2018, sections 1 to 42, inclusive, of this  
1045 act govern all series limited liability companies and protected series.

1046 (d) Prior to October 1, 2019, sections 21 and 23 of this act do not  
1047 apply to a foreign protected series that was established before October  
1048 1, 2018, or a foreign limited liability company that became a foreign  
1049 series limited liability company before October 1, 2018.

1050 Sec. 42. (NEW) (*Effective October 1, 2018*) The provisions of sections 1  
1051 to 42, inclusive, of this act do not affect an action commenced,  
1052 proceeding brought or right accrued before October 1, 2018.

1053 Sec. 43. Section 34-243a of the 2018 supplement to the general  
1054 statutes is repealed and the following is substituted in lieu thereof  
1055 (*Effective October 1, 2018*):

1056 As used in sections 34-243 to 34-283d, inclusive, and sections 1 to 42,  
1057 inclusive, of this act:

1058 (1) "Certificate of organization" means the certificate required by  
1059 section 34-247, and includes the certificate as amended or restated.

1060 (2) "Connecticut Entity Transactions Act" means chapter 616.

1061 (3) "Contribution", except in the phrase "right of contribution",  
1062 means property or a benefit described in section 34-255a which is  
1063 provided by a person to a limited liability company to become a  
1064 member or in the person's capacity as a member.

1065 (4) "Debtor in bankruptcy" means a person that is the subject of: (A)  
1066 An order for relief under Title 11 of the United States Code or a  
1067 comparable order under a successor statute of general application; or  
1068 (B) a comparable order under federal, state or foreign law governing  
1069 insolvency.

1070 (5) "Disinterested individual" means an individual, including a  
1071 disinterested member, who, at the time action is to be taken under  
1072 section 34-271d, does not have (A) a material interest in the outcome of  
1073 the proceeding, or (B) a material relationship with a person who has  
1074 such an interest.

1075 (6) "Disinterested member" means a member who, at the time action  
1076 is to be taken under:

1077 (A) Subsection (b) or (d) of section 34-255g, (i) is not a party to the  
1078 proceeding, (ii) is not a member who sought approval for a member's  
1079 conflicting interest transaction under subsection (f) of section 34-255h  
1080 or a disclaimer of the limited liability company's interest in a business  
1081 opportunity under subsection (b) of section 34-255h, which approval or  
1082 disclaimer is challenged in the proceeding, and (iii) does not have a  
1083 material relationship with a party or member described in clause (i) or  
1084 (ii) of this subparagraph;

1085 (B) Subsection (f) of section 34-255h, is not a member (i) as to whom  
1086 the transaction is a member's conflicting interest transaction, or (ii)  
1087 who has a material relationship with another member as to whom the  
1088 transaction is a member's conflicting interest transaction; or

1089 (C) Subsection (b) of section 34-255h, would be a disinterested  
1090 member under subparagraph (B) of this subdivision if the business  
1091 opportunity were a member's conflicting interest transaction.

1092 (7) "Disinterested person" means a person, including a disinterested  
1093 member, who, at the time action is to be taken under subparagraph (A)  
1094 of subdivision (1) of subsection (d) of section 34-243d, does not have  
1095 (A) a material interest in the outcome of the action, or (B) a material

1096 relationship with a person who has such an interest.

1097 (8) "Distribution" means a transfer of money or other property from  
1098 a limited liability company to a person on account of a transferable  
1099 interest or in the person's capacity as a member. "Distribution": (A)  
1100 Includes (i) a redemption or other purchase by a limited liability  
1101 company of a transferable interest; and (ii) a transfer to a member in  
1102 return for the member's relinquishment of any right to participate as a  
1103 member in the management or conduct of the company's activities and  
1104 affairs or to have access to records or other information concerning the  
1105 company's activities and affairs; and (B) does not include amounts  
1106 constituting reasonable compensation for present or past service or  
1107 payments made in the ordinary course of business under a bona fide  
1108 retirement plan or other bona fide benefits program.

1109 (9) "Foreign limited liability company" means an unincorporated  
1110 entity formed under the law of a jurisdiction other than this state  
1111 which would be a limited liability company if formed under the law of  
1112 this state.

1113 (10) "Governing jurisdiction" means the jurisdiction whose law  
1114 governs the internal affairs of an entity.

1115 (11) "Jurisdiction", when used to refer to a political entity, means the  
1116 United States, a state, a foreign county or a political subdivision of a  
1117 foreign country.

1118 (12) "Limited liability company", except in the phrase "foreign  
1119 limited liability company" and when used in sections 34-279 to 34-279i,  
1120 inclusive, means an entity formed under sections 34-243 to 34-283d,  
1121 inclusive, or which becomes subject to said sections under the  
1122 Connecticut Entity Transactions Act, or section 34-243i or 34-279h.

1123 (13) "Majority in interest of the members" means the members  
1124 owning more than fifty per cent of the transferable interests of the  
1125 limited liability company, excluding any transferable interests not  
1126 owned by the members; except that if it is not possible to determine



1127 which members own more than fifty per cent of the transferable  
1128 interests based on the operating agreement of the limited liability  
1129 company, then majority in interest of the members means the members  
1130 who would receive more than fifty per cent of the distributions with  
1131 respect to the dissolution of the limited liability company at the time of  
1132 the vote if there would be such distributions, or if there would not be  
1133 such distributions, the "majority in interest of the members" means the  
1134 members who at the time of the vote contributed more than fifty per  
1135 cent of the unreturned capital contributions made to the limited  
1136 liability company since the date of formation of the limited liability  
1137 company.

1138 (14) "Manager" means a person that, under the operating agreement  
1139 of a manager-managed limited liability company, is responsible, alone  
1140 or in concert with others, for performing the management functions set  
1141 forth in subsection (c) of section 34-255f, regardless of the title used to  
1142 describe such person.

1143 (15) "Manager-managed limited liability company" means a limited  
1144 liability company that qualifies under subsection (a) of section 34-255f.

1145 (16) "Material relationship" means a familial, financial, professional  
1146 or employment relationship that would reasonably be expected to  
1147 impair the objectivity of the person's judgment when participating in  
1148 the action to be taken.

1149 (17) "Material interest" means an actual or potential benefit or  
1150 detriment, other than one which would devolve on the limited liability  
1151 company or the members generally, that would reasonably be  
1152 expected to impair the objectivity of the person's judgment when  
1153 participating in the action to be taken.

1154 (18) "Member" means a person that: (A) Has become a member of a  
1155 limited liability company under section 34-255 or was a member in a  
1156 company when the company became subject to sections 34-243 to 34-  
1157 283d, inclusive, under section 34-243i; and (B) has not dissociated  
1158 under section 34-263a.

1159 (19) "Member-managed limited liability company" means a limited  
1160 liability company that is not a manager-managed limited liability  
1161 company.

1162 (20) "Operating agreement" means the agreement, whether or not  
1163 referred to as an operating agreement and whether oral, implied, in a  
1164 record or in any combination thereof, of all the members of a limited  
1165 liability company, including a sole member, concerning the matters  
1166 described in subsection (a) of section 34-243d. "Operating agreement"  
1167 includes the agreement as amended or restated.

1168 (21) "Organizer" means a person that acts under section 34-247 to  
1169 form a limited liability company.

1170 (22) "Person" means an individual, business corporation, nonprofit  
1171 corporation, partnership, limited partnership, limited liability  
1172 company, foreign limited liability company, cooperative association,  
1173 limited cooperative association, unincorporated nonprofit association,  
1174 statutory trust, business trust, common law business trust, estate, trust,  
1175 association, joint venture, public corporation, government or  
1176 governmental subdivision, agency or instrumentality, or any other  
1177 domestic or foreign legal or commercial entity.

1178 (23) "Principal office" means the principal executive office of a  
1179 limited liability company or foreign limited liability company, whether  
1180 or not the office is located in this state.

1181 (24) "Professional service" means any type of service to the public  
1182 that requires members of a profession rendering such service to obtain  
1183 a license or other legal authorization as a condition precedent to the  
1184 rendition thereof, limited to the professional services rendered by  
1185 dentists, naturopaths, chiropractors, physicians and surgeons,  
1186 physician assistants, doctors of dentistry, physical therapists,  
1187 occupational therapists, podiatrists, optometrists, nurses, nurse-  
1188 midwives, veterinarians, pharmacists, architects, professional  
1189 engineers, or jointly by architects and professional engineers,  
1190 landscape architects, real estate brokers, insurance producers, certified

1191 public accountants and public accountants, land surveyors,  
1192 psychologists, attorneys-at-law, licensed marital and family therapists,  
1193 licensed professional counselors, licensed or certified alcohol and drug  
1194 counselors and licensed clinical social workers.

1195 (25) "Property" means all property, whether real, personal, or mixed  
1196 or tangible or intangible, or any right or interest therein.

1197 (26) "Record", when used as a noun, means information that is  
1198 inscribed on a tangible medium or that is stored in an electronic or  
1199 other medium and is retrievable in perceivable form.

1200 (27) "Registered agent" means an agent of a limited liability  
1201 company or foreign limited liability company which is authorized to  
1202 receive service of any process, notice, or demand required or permitted  
1203 by law to be served on the company.

1204 (28) "Registered foreign limited liability company" means a foreign  
1205 limited liability company that is registered to do business in this state  
1206 pursuant to a certificate of registration filed by the Secretary of the  
1207 State.

1208 (29) "Sign" means, with the present intent to authenticate or adopt a  
1209 record: (A) To execute or adopt a tangible symbol; or (B) to attach to or  
1210 logically associate with the record an electronic symbol, sound or  
1211 process.

1212 (30) "State", when used as a noun, means a state of the United States,  
1213 the District of Columbia, Puerto Rico, the United States Virgin Islands,  
1214 or any territory or insular possession subject to the jurisdiction of the  
1215 United States.

1216 (31) "Transfer" includes: (A) An assignment; (B) a conveyance; (C) a  
1217 sale; (D) a lease; (E) an encumbrance, including a mortgage or security  
1218 interest; (F) a gift; and (G) a transfer by operation of law.

1219 (32) "Transferable interest" means the right, as initially owned by a  
1220 person in the person's capacity as a member, to receive distributions

1221 from a limited liability company, whether or not the person remains a  
1222 member or continues to own any part of the right. "Transferable  
1223 interest" applies to any fraction of the interest, by whomever owned.

1224 (33) "Transferee" means a person to which all or part of a  
1225 transferable interest has been transferred, whether or not the transferor  
1226 is a member. "Transferee" includes a person that owns a transferable  
1227 interest under subdivision (3) of subsection (a) of section 34-263b.

1228 (34) "Two-thirds in interest of the members" means the members  
1229 owning at least two-thirds of the transferable interests of the limited  
1230 liability company, excluding any transferable interests not owned by  
1231 the members; except that if it is not possible to determine which  
1232 members own at least two-thirds of the transferable interests based on  
1233 the operating agreement of the limited liability company, two-thirds in  
1234 interest of the members means the members who would receive at  
1235 least two-thirds of the distributions with respect to the dissolution of  
1236 the limited liability company at the time of the vote if there would be  
1237 such distributions, or if there would not be such distributions, two-  
1238 thirds in interest of the members means the members who at the time  
1239 of the vote contributed at least two-thirds of the unreturned capital  
1240 contributions made to the limited liability company since the date of  
1241 formation of the limited liability company.

1242 Sec. 44. Section 34-600 of the general statutes is repealed and the  
1243 following is substituted in lieu thereof (*Effective October 1, 2018*):

1244 As used in this chapter and sections 1 to 42, inclusive, of this act:

1245 (1) "Acquired entity" means the entity, all of one or more classes or  
1246 series of interests of which are acquired in an interest exchange.

1247 (2) "Acquiring entity" means the entity that acquires all of one or  
1248 more classes or series of interests of the acquired entity in an interest  
1249 exchange.

1250 (3) "Approve" means, in the case of an entity, for its governors and  
1251 interest holders to take whatever steps are necessary under its organic

1252 rules, organic law and other law to (A) propose a transaction subject to  
1253 this chapter; (B) adopt and approve the terms and conditions of the  
1254 transaction; and (C) conduct any required proceedings or otherwise  
1255 obtain any required votes or consents of the governors or interest  
1256 holders.

1257 (4) "Business corporation" means a corporation whose internal  
1258 affairs are governed by chapter 601 or a professional service  
1259 corporation governed by chapter 594a.

1260 (5) "Conversion" means a transaction authorized by part IV of this  
1261 chapter.

1262 (6) "Converted entity" means the converting entity as it continues in  
1263 existence after a conversion.

1264 (7) "Converting entity" means the domestic entity that approves a  
1265 plan of conversion pursuant to section 34-633 or the foreign entity that  
1266 approves a conversion pursuant to the law of its jurisdiction of  
1267 organization.

1268 (8) "Domestic entity", unless the context otherwise requires, means  
1269 an entity whose internal affairs are governed by the law of this state.

1270 (9) "Domesticated entity" means the domesticating entity as it  
1271 continues in existence after a domestication.

1272 (10) "Domesticating entity" means the domestic entity that approves  
1273 a plan of domestication pursuant to section 34-643 or the foreign entity  
1274 that approves a domestication pursuant to the law of its jurisdiction of  
1275 organization.

1276 (11) "Domestication" means a transaction authorized by part V of  
1277 this chapter.

1278 (12) "Entity", unless the context otherwise requires, means (A) a  
1279 business corporation; (B) a nonprofit corporation; (C) a general  
1280 partnership, including a limited liability partnership; (D) a limited

1281 partnership, including a limited liability limited partnership; (E) a  
1282 limited liability company; (F) a business trust or statutory trust entity;  
1283 (G) an unincorporated nonprofit association; (H) a cooperative; or (I)  
1284 any other person who has a separate legal existence or the power to  
1285 acquire an interest in real property in his or her own name other than  
1286 (i) an individual; (ii) a testamentary, inter vivos or charitable trust,  
1287 with the exception of a business trust, statutory trust entity or similar  
1288 trust; (iii) an association or relationship that is not a partnership solely  
1289 by reason of the law of any other jurisdiction; (iv) a decedent's estate;  
1290 or (v) a government, a governmental subdivision, agency or  
1291 instrumentality, or a quasi-governmental instrumentality.

1292 (13) "Filing entity" means an entity that is created by the filing of a  
1293 public organic document.

1294 (14) "Foreign entity" means an entity other than a domestic entity.

1295 (15) "Governance interest" means the right under the organic law or  
1296 organic rules of an entity, other than as a governor, agent, assignee or  
1297 proxy, to (A) receive or demand access to information concerning, or  
1298 the books and records of, the entity; (B) vote for the election of the  
1299 governors of the entity; or (C) receive notice of or vote on any or all  
1300 issues involving the internal affairs of the entity.

1301 (16) "Governor" means a person by or under whose authority the  
1302 powers of an entity are exercised and under whose direction the  
1303 business and affairs of the entity are managed pursuant to the organic  
1304 law and organic rules of the entity.

1305 (17) "Interest", unless the context otherwise requires, means (A) a  
1306 governance interest in an unincorporated entity; (B) a transferable  
1307 interest in an unincorporated entity; or (C) a share or membership in a  
1308 corporation.

1309 (18) "Interest exchange" means a transaction authorized by part III  
1310 of this chapter.

1311 (19) "Interest holder" means a direct holder of an interest.

1312       (20) "Interest holder liability" means (A) personal liability for a  
1313 liability of an entity that is imposed on a person (i) solely by reason of  
1314 the status of the person as an interest holder, or (ii) by the organic rules  
1315 of the entity pursuant to a provision of the organic law authorizing the  
1316 organic rules to make one or more specified interest holders or  
1317 categories of interest holders liable in their capacity as interest holders  
1318 for all or specified liabilities of the entity; or (B) an obligation of an  
1319 interest holder under the organic rules of an entity to contribute to the  
1320 entity.

1321       (21) "Jurisdiction of organization" of an entity means the jurisdiction  
1322 under which the law includes the organic law of the entity.

1323       (22) "Liability" means a debt, obligation or any other liability arising  
1324 in any manner, regardless of whether it is secured or contingent.

1325       (23) "Merger" means a transaction in which two or more merging  
1326 entities are combined into a surviving entity pursuant to a filing with  
1327 the Secretary of the State.

1328       (24) "Merging entity" means an entity that is a party to a merger and  
1329 exists immediately before the merger becomes effective.

1330       (25) "Nonprofit corporation" means a corporation whose internal  
1331 affairs are governed by chapter 602.

1332       (26) "Organic law" means the section of the general statutes, if any,  
1333 other than this section and sections 34-601 to 34-646, inclusive,  
1334 governing the internal affairs of an entity.

1335       (27) "Organic rules" means the public organic document and private  
1336 organic rules of an entity.

1337       (28) "Person" means an individual, corporation, estate, trust,  
1338 partnership, limited liability company, business or similar trust,  
1339 association, joint venture, public corporation, government or  
1340 governmental subdivision, agency or instrumentality, or any other  
1341 legal or commercial entity.

1342 (29) "Plan" means a plan of merger, interest exchange, conversion or  
1343 domestication.

1344 (30) "Private organic rules" means the rules, whether or not in a  
1345 record, that govern the internal affairs of an entity, are binding on all  
1346 of its interest holders and are not part of its public organic document,  
1347 if any.

1348 (31) "Protected agreement" means (A) a record evidencing  
1349 indebtedness and any related agreement in effect on or after January 1,  
1350 2014; (B) an agreement that is binding on an entity on or after January  
1351 1, 2014; (C) the organic rules of an entity in effect on or after January 1,  
1352 2014; or (D) an agreement that is binding on any of the governors or  
1353 interest holders of an entity on or after January 1, 2014.

1354 (32) "Public organic document" means the public record, the filing of  
1355 which creates an entity and any amendment to or restatement of such  
1356 record.

1357 (33) "Qualified foreign entity" means a foreign entity that is  
1358 authorized to transact business in this state pursuant to a filing with  
1359 the Secretary of the State.

1360 (34) "Record" means information that is inscribed on a tangible  
1361 medium or that is stored in an electronic or other medium and is  
1362 retrievable in perceivable form.

1363 (35) "Sign" or "signature" includes any manual, facsimile, conformed  
1364 or electronic signature.

1365 (36) "Surviving entity" means the entity that continues in existence  
1366 after a merger or that is created by a merger.

1367 (37) "Transferable interest" means the right under an entity's organic  
1368 law to receive distributions from the entity.

1369 (38) "Type", with regard to an entity, means a generic form of entity  
1370 (A) recognized at common law, or (B) organized under an organic law,



1371 whether or not an entity organized under such organic law is subject to  
 1372 the provisions of such organic law creating different categories of the  
 1373 form of entity.

1374 Sec. 45. Section 34-275 of the general statutes is repealed and the  
 1375 following is substituted in lieu thereof (*Effective October 1, 2018*):

1376 (a) The law of the governing jurisdiction of a foreign limited liability  
 1377 company governs: (1) The internal affairs of the company; (2) subject to  
 1378 sections 21 and 23 of this act, the liability of a member as member and  
 1379 a manager as manager for a debt, obligation or other liability of the  
 1380 company; and (3) subject to sections 21 and 23 of this act, the liability  
 1381 of a series of the company.

1382 (b) A foreign limited liability company is not precluded from  
 1383 registering to transact business in this state because of any difference  
 1384 between the law of the governing jurisdiction and the law of this state.

1385 (c) Registration of a foreign limited liability company to transact  
 1386 business in this state does not authorize the foreign company to  
 1387 engage in any activities or affairs or exercise any power in this state  
 1388 that a limited liability company may not engage in or exercise in this  
 1389 state.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2018</i>	New section
Sec. 2	<i>October 1, 2018</i>	New section
Sec. 3	<i>October 1, 2018</i>	New section
Sec. 4	<i>October 1, 2018</i>	New section
Sec. 5	<i>October 1, 2018</i>	New section
Sec. 6	<i>October 1, 2018</i>	New section
Sec. 7	<i>October 1, 2018</i>	New section
Sec. 8	<i>October 1, 2018</i>	New section
Sec. 9	<i>October 1, 2018</i>	New section
Sec. 10	<i>October 1, 2018</i>	New section
Sec. 11	<i>October 1, 2018</i>	New section
Sec. 12	<i>October 1, 2018</i>	New section

Sec. 13	October 1, 2018	New section
Sec. 14	October 1, 2018	New section
Sec. 15	October 1, 2018	New section
Sec. 16	October 1, 2018	New section
Sec. 17	October 1, 2018	New section
Sec. 18	October 1, 2018	New section
Sec. 19	October 1, 2018	New section
Sec. 20	October 1, 2018	New section
Sec. 21	October 1, 2018	New section
Sec. 22	October 1, 2018	New section
Sec. 23	October 1, 2018	New section
Sec. 24	October 1, 2018	New section
Sec. 25	October 1, 2018	New section
Sec. 26	October 1, 2018	New section
Sec. 27	October 1, 2018	New section
Sec. 28	October 1, 2018	New section
Sec. 29	October 1, 2018	New section
Sec. 30	October 1, 2018	New section
Sec. 31	October 1, 2018	New section
Sec. 32	October 1, 2018	New section
Sec. 33	October 1, 2018	New section
Sec. 34	October 1, 2018	New section
Sec. 35	October 1, 2018	New section
Sec. 36	October 1, 2018	New section
Sec. 37	October 1, 2018	New section
Sec. 38	October 1, 2018	New section
Sec. 39	October 1, 2018	New section
Sec. 40	October 1, 2018	New section
Sec. 41	October 1, 2018	New section
Sec. 42	October 1, 2018	New section
Sec. 43	October 1, 2018	34-243a
Sec. 44	October 1, 2018	34-600
Sec. 45	October 1, 2018	34-275

**Statement of Legislative Commissioners:**

In Sections 23(e)(2), 27 and 37(c), section references were corrected or added for accuracy.

**JUD**      *Joint Favorable Subst. -LCO*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

### ***OFA Fiscal Note***

#### ***State Impact:***

<b>Agency Affected</b>	<b>Fund-Effect</b>	<b>FY 19 \$</b>	<b>FY 20 \$</b>
Secretary of the State	GF - Cost	Approx. \$500,000	See Below

Note: GF=General Fund

#### ***Municipal Impact:*** None

#### ***Explanation***

The bill adopts the Uniform Protected Series Act (UPSA), creating a framework for the formation and operation of a protected series LLC, and makes numerous other changes to statutes governing limited liability companies (LLCs) and business corporations. As a result, the bill creates an entirely new entity type which will necessitate significant programmatic and coding changes to the Secretary of State's CONCORD system and other online formation tools, resulting in an estimated cost of \$500,000 in FY 19.

#### ***The Out Years***

There is no out year cost as this is a one-time cost.

Sources: Secretary of the State

**OLR Bill Analysis****SB 399*****AN ACT CONCERNING THE UNIFORM PROTECTED SERIES ACT.***

## TABLE OF CONTENTS:

[SUMMARY](#)[§§ 1-8 — GENERAL PROVISIONS](#)

Adopts the Uniform Protected Series Act (UPSA); describes the nature, power, purpose, and duration of a protected series and its internal liability shields; specifies that if the requirements of UPSA are met the assets of one protected series are not available to satisfy claims of creditors of the LLC or other protected series.

[§§ 9-14 — ESTABLISHING A PROTECTED SERIES LLC](#)

Describes how a protected series is established, requires all LLC members to consent to establish a protected series; requires the LLC to deliver a protected series designation to the Secretary of State, signed by the company; provides name, registered agent, and service of process provisions; and establishes reporting requirements and a method to obtain a certificate of good standing.

[§§ 15-19 — ASSOCIATED ASSETS AND ASSOCIATED MEMBERS](#)

Establishes record keeping requirements for an asset to qualify as an “associated asset” (i.e., an asset for which the protected series maintains records of its name and description); establishes rules for “associated members” (i.e., a member who is stated as such in the LLC’s operating agreement or established procedure); lays out the requirements related to transferable interests and management; gives a non-associated member rights to certain information.

[§§ 20-23 — LIMITATIONS ON LIABILITIES AND ENFORCEMENT OF CLAIMS](#)

Creates limitations on liability and provides for the enforcement of claims against a protected series; provides two types of liability shields (vertical and horizontal); addresses claims seeking to disregard limitation of liability, protected-level charging orders for judgment-creditors, and enforcement of judgements against certain assets; allows a creditor to enforce a judgment against another

protected series of a series LLC or the LLC itself by pursuing certain assets if the bill's requirements are not satisfied; and addresses the liability of affiliates and foreign protected series.

#### §§ 24-26 — DISSOLUTION

Addresses grounds for dissolution and winding up of a protected series; provides that when a series LLC dissolves, all its protected series also immediately dissolve; specifies that the reinstatement of an administratively dissolved protected series or the rescinding of a voluntarily dissolved company has the same retroactive effect at the protected series level.

#### §§ 27-34 — RESTRICTED ENTITY TRANSACTIONS

Prohibits a protected series from being a party to an entity transaction; allows a series LLC to be a party to a merger if each other party to the merger is an LLC and the surviving company is not created in a merger; requires protected series merger plans and statement of merger to comply with the Uniform LLC Act's requirements; and specifies that a creditor's right that existed immediately before a merger may be enforced after the merger.

#### §§ 35-38 — FOREIGN PROTECTED SERIES

Specifies that a foreign series LLC is governed by the law of the jurisdiction where it was formed; creates guidelines to determine whether a foreign series LLC or foreign protected series of the company is doing business in the state; establishes registration and disclosure requirements when the foreign LLC or foreign protected series is a party to a proceeding in the state.

#### §§ 39-45 — TRANSITIONAL RULES AND MISCELLANEOUS PROVISIONS

Establishes transitional rules for pre-existing series limited liability companies and protected series; specifies the effect of the bill's provisions relative to certain federal laws; requires consideration of the need to promote uniformity of the law when applying UPSA; and makes conforming changes.

### **SUMMARY**

This bill adopts the Uniform Protected Series Act (UPSA) which creates a framework for forming and operating a protected series of a limited liability company (LLC). A "protected series" is an entity governed by the operating agreement of a series LLC (a "series LLC" is an LLC with one or more protected series). Generally, the bill deems a

protected series as an independent LLC, which, with certain exceptions, subjects it to the same requirements existing law applies to other LLCs.

The bill grants a protected series and its associated LLC both vertical and horizontal liability shields. The “vertical shield” protects the protected series’ owners (e.g., the series LLC) from the liability of the protected series’ debt, and vice versa. For a series LLC with multiple protected series, the horizontal shield protects each protected series and its assets from liability for the debts of any other protected series of the company. A horizontal shield likewise protects the series LLC and its assets from creditors of any protected series of the company. The bill also integrates UPSA into the existing state Uniform LLC act.

The bill creates these horizontal shields by designating protected series’ assets as “associated assets.” Associated assets are independent and protected from the assets of its series LLC, and vice versa. Under the bill, assets are “associated” by maintaining certain records and meeting other requirements.

The bill also establishes procedures, generally corresponding to the state’s existing Uniform LLC act, for the creation, merger, acquisition, and dissolution of series LLCs and protected series of series LLCs.

It also makes conforming changes to the state’s Uniform LLC act.

EFFECTIVE DATE: October 1, 2018

## **§§ 1-8 — GENERAL PROVISIONS**

*Adopts the Uniform Protected Series Act (UPSA); describes the nature, power, purpose, and duration of a protected series and its internal liability shields; specifies that if the requirements of UPSA are met the assets of one protected series are not available to satisfy claims of creditors of the LLC or other protected series.*

### ***Nature, Powers, Duration, and Limitations of Protected Series (§§ 1-4)***

The bill adopts the Uniform Protected Series Act (UPSA) and specifies that a protected series of a series LLC (“protected series”) is a

person distinct from:

1. the company;
2. another protected series of the company;
3. a member of the company, regardless of if the member is an associated member of the protected series;
4. a protected-series transferee of the company (i.e., a person to whom all or part of the right to receive a protected series' distributions has been transferred); and
5. a transferee of a transferable interest of the company.

Under the bill, a protected series may sue and be sued in its own name and, with certain exceptions, has the same powers and purposes as the company. However, it may not (1) be a member of the company, (2) establish a protected series, or (3) have a purpose or power prohibited by state law or by the bill's provisions.

A protected series exists only so long as the series LLC exists, and consequently ceases to exist not later than when the LLC completes its winding up.

### ***Governing Law (§ 5)***

The bill specifies that state law governs:

1. the internal affairs of a protected series, including a protected series' manager's rights and duties, relations among and between associated members and protected series managers or transferees, certain governance decisions, and the procedures and conditions for becoming an associated member or protected series transferee and
2. the liability of the series LLC, the protected series of a series LLC, and persons such as members, managers, transferees, for certain debt, obligation or other liability.

Under the bill, state law also governs the relations between a protected series and

1. the company,
2. another protected series of the company;
3. a member of the company which is not an associated member of the protected series;
4. a protected-series manager that is not a protected-series manager of the protected series; and
5. a protected-series transferee that is not a protected-series transferee of the protected series.

***Operating Agreement (§§ 6 & 7)***

Under the bill, a series LLC's operating agreement generally governs, among other things:

1. the internal affairs of a protected series, including relations among its associated members, the rights and duties of a protected-series manager, and governance decisions;
2. relations among the protected series, the company, and any other protected series of the company; and
3. relations between the protected series, its protected-series manager, and any associated member or transferee.

The bill expressly lists the UPSA provisions that an operating agreement may not vary the effect of, but allows variations in very few areas. For example, an operating agreement may vary the manner in which a LLC approves establishing a protected series.

The bill creates a paradigm for determining which rules apply to a matter governed by the operating agreement:

If any provision of the state Uniform LLC Act restricts an operating



agreement's power to affect a matter, the restriction applies to a matter under § 8 below.

If state law, other than the bill's provisions, imposes a prohibition, limitation, requirement, condition, obligation, liability, or other restriction on a LLC, a member, manager, or other agent of the company, or a transferee of the company, the restriction generally applies in accordance with § 8 below.

Except as otherwise provided below regarding the specific items an operating agreement may not vary, if the series LLC's operating agreement does not provide for a matter it may govern in a manner permitted by the bill, the matter must be determined in accordance with the following rules:

1. To the extent the bill addresses the matter, the bill governs.
2. To the extent the bill does not address the matter, the state Uniform LLC Act governs the matter in accordance with § 8 of bill.

### ***Applying the Uniform LLC Act (§ 8)***

With certain exceptions, the bill, in applying its provisions, deems:

1. a protected series of a LLC to be a LLC formed separately and distinct from the series LLC and any other protected series of the series LLC;
2. an associated member of the protected series to be a member of the company deemed to exist under item 1 above;
3. a protected-series transferee of the protected series to be a transferee of the company deemed to exist under item 1 above;
4. a protected-series transferable interest of the protected series to be a transferable interest of the company deemed to exist under item 1 above;

5. a protected-series manager to be a manager of the company deemed to exist under item 1 above;
6. an asset of the protected series to be an asset of the company deemed to exist under item 1 above, whether or not the asset is an associated asset of the protected series; and
7. any creditor or other obligee of the protected series a creditor or obligee of the company deemed to exist under 1 above.

However, the bill specifies that these provisions do not apply if they would (1) violate certain operating agreement provisions of the LLC act, or (2) authorize the secretary of state to take certain actions not specifically authorized in law.

By deeming a protected series a type of LLC, the protected series becomes regulated by the state's Uniform LLC Act. This requires them to, among other things, file annual reports.

## **§§ 9-14 — ESTABLISHING A PROTECTED SERIES LLC**

*Describes how a protected series is established, requires all LLC members to consent to establish a protected series; requires the LLC to deliver a protected series designation to the Secretary of State, signed by the company; provides name, registered agent, and service of process provisions; and establishes reporting requirements and a method to obtain a certificate of good standing.*

### ***Designation and Name (§§ 9 & 10)***

Under the bill, a LLC may establish a protected series with the affirmative vote or consent of all of its members. The LLC must deliver a protected series designation to the secretary of the state for filing. The designation must be signed by the company and state the company's name and the name of the protected series to be established.

A protected series is established:

1. when the secretary of the state files the designation, or if later, on the date and at the time specified in the record, or;
2. at a specified delayed effective date and time, not more than 90

days after the filing date (if no time is specified, it becomes effective at 12:01 am on the specified date).

By law, these same provisions govern when an LLC filing is effective. Protected series may generally follow the same filing procedures to amend the designation, including the protected series' name.

The name of a protected series must comply with LLC naming requirements under the Uniform LLC Act. It must (1) begin with the name of the company, including any word or abbreviation required by Uniform LLC Act (e.g., it must contain the designation "LLC" or similarly convey it is a limited liability company) and (2) contain the phrase "Protected Series" or "protected series" or the abbreviation "P.S." or "PS."

If the series LLC changes its name, it must amend each protected series designation to comply with these provisions.

### ***Registered Agent and Service of Process (§§ 11 & 12)***

The bill makes the registered agent in the state for a series LLC the registered agent for each of the company's protected series. It sets forth requirements for the registered agent and specifies that the individual serves as the registered agent for both the series LLC and each associated protected series.

A protected series of a series LLC may be served with a process, notice, demand, or other record required or permitted by law by (1) serving the company or the registered agent of the protected series or (2) other means authorized by state law other than the Uniform LLC Act.

Under the bill, serving process to a series LLC or a protected series, including to a foreign series LLC or a foreign protected series, generally constitutes notice to every other series or protected series associated with the company receiving the notice. (By law, a foreign LLC is an entity formed outside of Connecticut that, if formed in

Connecticut, would constitute an LLC. A foreign series LLC and foreign protected series are series LLCs or protected series formed by foreign LLCs.)

### ***Certificate of Good Standing and Annual Report (§§ 13 & 14)***

Under the bill, on request of any person, the secretary of the state must issue (1) a certificate of good standing for a protected series or (2) a certificate of registration for a foreign protected series, if certain conditions are met including, for a protected series, that no statement of dissolution, termination or relocation has been filed.

The bill specifies what a certificate of good standing must contain. For example, it must state that the fees, taxes, interest, and penalties owed to the state have been paid.

Additionally, a series LLC's annual statement required under the Uniform LLC Act must include the name of each active protected series.

### **§§ 15-19 — ASSOCIATED ASSETS AND ASSOCIATED MEMBERS**

*Establishes record keeping requirements for an asset to qualify as an "associated asset" (i.e., an asset for which the protected series maintains records of its name and description); establishes rules for "associated members" (i.e., a member who is stated as such in the LLC's operating agreement or established procedure); lays out the requirements related to transferable interests and management; gives a non-associated member rights to certain information.*

#### ***Associated Assets (§ 15)***

Under the bill, an asset becomes "associated" when the series LLC or the protected series creates and maintains records that, among other things, allow a disinterested reasonable individual to identify the asset and distinguish it from any other asset the company or protected series may hold. The records must also (1) state the name of the series or protected series; (2) appropriately describe the asset so it can be distinguished from others; (3) describe the asset's origins; and (4) if the series acquired the asset from an associated protected series (or vice versa), the consideration paid, the payor, and the payee.

Under the bill, only a:

1. protected series' assets may be an associated asset of the protected series, and
2. series LLC's assets may be an associated asset of the series LLC.

To further establish horizontal and vertical liability shields (i.e. partition the assets), the bill generally prohibits (1) a protected series from holding an associated asset in the name of the series LLC or another of its protected series and (2) the company from holding an associated asset in the protected series' name. However, the bill does allow a series LLC or protected series to hold an associated asset indirectly through a representative, nominee, or other similar arrangement.

#### ***Associated Members (§ 16)***

An associated member is generally a person with both governance over, and economic rights to, the series or protected series and its assets. Only a member of a series LLC may be an associated member of a protected series of the company.

Under the bill, a member of a series LLC becomes an associated member of a protected series of the company if the operating agreement or a procedure established by the agreement states (1) that the member is an associated member or the date at which the member becomes associated and (2) any protected series transferable interest (i.e., economic rights) the member has as a result of the association.

#### ***Transferable Interest and Management (§§ 17 & 18)***

Under the bill, an associated member of the protected series must be the initial owner of any protected-series transferable interest. If a protected series is established with no associated members, the series LLC owns the protected-series transferable interests.

A protected series may have more than one protected-series manager. If a protected series has no associated members, the series LLC is the protected-series manager.

A protected-series manager's duties to the protected series and its associate members and transferees are determined in accordance with the mechanism described in § 8 above.

An associated member of a protected series of a series LLC has the same rights as any other member of the company to vote on or consent to an amendment to the company's operating agreement or any other matter being decided by the members, regardless of whether the amendment or matter affects the associated member's interests.

### ***Right to Information (§ 19)***

The bill gives a former associated member, a deceased associated member's legal representative, and a protected-series manager the right to information about the protected series to the same extent, in the same manner, and under the same circumstances as an associated member, a disassociated member, and a deceased company member's legal representative under the Uniform LLC Act.

The bill also grants a non-associated member the same right to information, to the same extent and in the same manner, that a member that is not a manager of a managed LLC has under the Uniform LLC Act.

## **§§ 20-23 — LIMITATIONS ON LIABILITIES AND ENFORCEMENT OF CLAIMS**

*Creates limitations on liability and provides for the enforcement of claims against a protected series; provides two types of liability shields (vertical and horizontal); addresses claims seeking to disregard limitation of liability, protected-level charging orders for judgment-creditors, and enforcement of judgements against certain assets; allows a creditor to enforce a judgment against another protected series of a series LLC or the LLC itself by pursuing certain assets if the bill's requirements are not satisfied; and addresses the liability of affiliates and foreign protected series.*

### ***Limitations on Liability (§ 20)***

**Vertical Shield.** Under the bill, a person is not liable, directly or indirectly, by way of contribution or otherwise, for a debt, obligation, or other liability of:

1. a protected series, solely by reason of being or acting as (a) an associated member, series manager, or protected-series

transferee of the protected series or (b) a member, manager, or transferee of the company or

2. a series LLC, solely by reason of being or acting as an associated member, protected-series manager, or protected-series transferee of a protected series of the company.

**Horizontal Shield.** The bill adopts the UPSA specific rules that attribute certain debt, obligation, or other liability to certain entities. Under the bill, a debt, obligation, or other liability of a:

1. series LLC is solely the debt, obligation, or liability of that company and
2. protected series is solely the debt, obligation, or liability of that protected series.

Additionally, the bill makes a series LLC not liable, directly or indirectly, for a debt, obligation, or other liability of a protected series of the company solely because the:

1. protected series is a protected series of the company or
2. the company (a) is or is acting as a protected-series manager of the protected series, (b) has the protected series manage the company, or (c) owns a protected-series transferable interest of the protected series.

The bill makes similar changes to protect a protected series from liability arising from its associated series LLC or any other of the series LLC's protected series. Under the bill, a protected series of a series LLC is not liable, directly or indirectly, for a debt, obligation, or other liability of the company, or another protected series of the company, because (a) it is a protected series of the company, (b) it is or is acting as a manager of the company or a protected-series manager of another protected series of the company, or (c) it has the company or another protected series of the company be or act as a protected-series manager of the protected series.

***Claim Seeking Discharge from Liability (§ 21)***

Under the bill, a claim seeking to disregard a limitation is generally governed by the principles of law and equity. An LLC or a protected series that fails to observe formalities relating to the exercise of its powers or management of its activities and affairs is not a ground to disregard the vertical shield but may be a ground to disregard the horizontal shield.

This section applies to a claim seeking to disregard a limitation of liability applicable to a foreign series LLC or foreign protected series, and comparable to a limitation stated in § 20 above (i.e., vertical or horizontal shields), if the:

1. claimant is a state resident or doing business or registered to do business in this state or
2. claim is to establish or enforce a liability arising under state law other than the bill's provisions or from an act or omission in the state.

***Remedies and Enforcement (§§ 22 & 23)***

The bill applies the state Uniform LLC Act's charging orders provisions to a judgment creditor of:

1. an associated member or protected-series transferee of a protected series; or
2. a series LLC, to the extent the company owns a protected-series transferable interest of a protected series.

The bill establishes the following rules under which a claim against a series LLC or a protected series of the company that has been reduced to judgment may be enforced.

1. A judgment against the company may be enforced against an asset of a protected series of the company if the asset (a) was a non-associated asset (i.e., not protected under the bill's shielding provisions) of the protected series on the incurrence



date or (b) is a non-associated asset of the protected series on the enforcement date.

2. A judgment against a protected series may be enforced against an asset of the company if the asset (a) was a non-associated asset of the company on the incurrence date or (b) is a non-associated asset of the company on the enforcement date.
3. A judgment against a protected series may be enforced against an asset of another protected series of the company if the asset: (a) was a non-associated asset of the other protected series on the incurrence date or (b) is a non-associated asset of the other protected series on the enforcement date.

The bill also allows for other remedies available under existing law, including prejudgment remedies, under certain circumstances.

The enforcement provisions apply to an asset of a foreign series LLC or foreign protected series under specified circumstances, such as if the asset is real or tangible property located in the state.

## **§§ 24-26 — DISSOLUTION**

*Addresses grounds for dissolution and winding up of a protected series; provides that when a series LLC dissolves, all its protected series also immediately dissolve; specifies that the reinstatement of an administratively dissolved protected series or the rescinding of a voluntarily dissolved company has the same retroactive effect at the protected series level.*

### ***Dissolution and Winding up After Dissolution (§§ 24 & 25)***

Under the bill, a protected series is dissolved and its activities and affairs are wound up, only when:

1. the company dissolves;
2. an event or circumstance occurs that causes dissolution of the protected series under the operating agreement;
3. all members affirmatively vote or consent to it; or
4. the court enters a dissolution order on application by (a) an

associated member or protected-series manager of the protected series or (b) the company or a member of the company on the grounds that the conduct of all or substantially all the activities and affairs of the protected series is illegal.

A dissolved protected series must wind up its activities and affairs in the same manner that a LLC winds up its activities and affairs under the state's existing Uniform LLC Act, subject to the same requirements and conditions and with the same effects. Similarly, judicial supervision or remedy is available in the winding up of the protected series to the same extent, in the same manner, under the same conditions and with the same effects that apply under Uniform LLC Act.

A series LLC winding up is not complete until each of the protected series of the company has completed its winding up.

### ***Reinstatement or Revocation (§ 26)***

If a series LLC that has been administratively dissolved is reinstated, or a series LLC that voluntarily dissolved rescinds its dissolution (1) each protected series of the company ceases winding up and (2) the reinstatement provisions of the Uniform LLC Act applies to each protected series of the company in accordance with mechanisms described in § 8 above.

## **§§ 27-34 — RESTRICTED ENTITY TRANSACTIONS**

*Prohibits a protected series from being a party to an entity transaction; allows a series LLC to be a party to a merger if each other party to the merger is an LLC and the surviving company is not created in a merger; requires protected series merger plans and statement of merger to comply with the Uniform LLC Act's requirements; and specifies that a creditor's right that existed immediately before a merger may be enforced after the merger.*

### ***Entity Transactions (§§ 27-30)***

Under the bill, a protected series may not:

1. be an acquiring, acquired, converting, converted, merging, or surviving entity;
2. participate in a domestication; or

3. be a party to, or be formed, organized, established or created in a transaction substantially like a merger, interest exchange, conversion or domestication.

A series LLC may not (1) acquire, convert, or domesticate another entity; (2) be acquired, converted, or domesticated by an entity; or (3) except as otherwise provided in this bill, be a party to or the surviving company of a merger.

A series LLC may be party to a merger in accordance with the Uniform LLC Act and this bill only if (1) each other party to the merger is a LLC and (2) the surviving company is not created in the merger.

### ***Mergers (§§ 27 & 31-34)***

***Plan and Statement of Merger.*** The plan of merger must comply with the Uniform LLC Act and state in a record:

1. for any protected series of a surviving or non-surviving company, whether the protected series will be a relocated protected series or be dissolved, wound up and terminated;
2. for each relocated protected series or continuing protected series, among other things, the name of any person that becomes an associated member or protected-series transferee of the protected series after the merger; any consideration to be paid by, on behalf of, or in respect of the person; the name of the payor and the name of the payee; and, if after the merger the protected series will be a relocated protected series, its new name;
3. for any protected series to be established by the surviving company as a result of the merger, among other things, the name of the protected series and any protected-series transferable interest to be owned by the surviving company when the protected series is established; and
4. for any person that is an associated member of a relocated

protected series and will remain a member after the merger, any amendment to the surviving company's operating agreement which (a) is or proposed to be in a record and (b) is necessary or appropriate to state the rights and obligations of the person as a member of the surviving company.

The statement of merger must comply with the Uniform LLC Act's requirements for a certificate of merger and include specified attachments, each to become effective when the merger becomes effective. The attachments include statements of termination and relocation, as applicable.

***Effect of a Merger.*** When a merger becomes effective, the following occurs as described in the plan of merger:

1. each protected series of each merging company that existed before the merger (1) becomes a relocated protected series or continuing protected series or (2) is dissolved, wound up, and terminated;
2. any protected series to be established as a result of the merger is established;
3. any relocated protected series or continuing protected series is the same person without interruption as it was before the merger;
4. all property of a relocated protected series or continuing protected series continues to be vested in the protected series without transfer, reversion, or impairment;
5. all debts, obligations, and other liabilities of a relocated protected series or continuing protected series continue as debts, obligations, and other liabilities of the protected series;
6. except as otherwise provided by law or the plan of merger, all the rights, privileges, immunities, powers, and purposes of a relocated protected series or continuing protected series remain

in the protected series;

7. the new name of a relocated protected series may be substituted for the former name of the protected series in any pending action or proceeding;
8. certain other changes related to associated members and transferees, if provided for in the plan of merger; and
9. any person that is a member of a relocated protected series becomes a member of the surviving company, if not already a member.

The bill also establishes the rules under which a creditor's right that existed immediately before a merger may be enforced after the merger.

### **§§ 35-38 — FOREIGN PROTECTED SERIES**

*Specifies that a foreign series LLC is governed by the law of the jurisdiction where it was formed; creates guidelines to determine whether a foreign series LLC or foreign protected series of the company is doing business in the state; establishes registration and disclosure requirements when the foreign LLC or foreign protected series is a party to a proceeding in the state.*

#### **Governing Law (§§ 35 & 36)**

A foreign series LLC is generally a series LLC formed by the laws of another state that operates substantially similar to an LLC formed in Connecticut. Under the bill, the law of the jurisdiction where a foreign series LLC was formed governs:

1. certain internal affairs of a foreign protected series of the company;
2. relations between the foreign protected series and certain other entities, such as the company and another foreign LLC; and
3. except as provided in sections 21 and 23 above, the liability of a person for a debt, obligation, or other liability of a foreign protected series of a foreign series LLC.

The bill establishes rules to determine whether a foreign series LLC

or foreign protected series of the company does business in the state or is subject to the personal jurisdiction of the state's courts.

### **Registration and Disclosure (§§ 37 & 38)**

Generally, state law governs the registration of a foreign LLC to do business in the state. The bill specifies what must be included in an application by a foreign protected series of a foreign series LLC for registration to do business in the state, such as the name and jurisdiction of formation of the foreign series LLC and any of its other foreign protected series.

The foreign protected series must comply with the Uniform LLC Act in its naming and when amending registration to update information.

A foreign series LLC, within 30 days after becoming a party to a proceeding must make specific disclosures to the other parties, such as the name and street and mailing address of each manager and a registered agent for service of process for each foreign protected series of the company. A foreign protected series of a foreign series LLC must make similar disclosures.

The bill establishes that, among other things, noncompliance may result in enforcement action in a court or other tribunal. It also establishes the conditions under which a foreign series LLC or its foreign protected series may challenge personal jurisdiction of the tribunal.

### **§§ 39-45 — TRANSITIONAL RULES AND MISCELLANEOUS PROVISIONS**

*Establishes transitional rules for pre-existing series limited liability companies and protected series; specifies the effect of the bill's provisions relative to certain federal laws; requires consideration of the need to promote uniformity of the law when applying UPSA; and makes conforming changes.*

#### **Transitional Rules (§§ 41 & 42)**

Under the bill, a LLC that is a series LLC before October 1, 2018 may elect, in the manner provided in its operating agreement or by law for amending the operating agreement, to be subject to the bill's

provisions. The bill establishes transitional rules for pre-existing series limited liability companies and protected series.

However, the bill does not apply to an action commenced, proceeding brought, or right accrued before October 1, 2018.

***Miscellaneous Provisions (§§ 39, 40, & 42–45)***

The bill also specifies that:

1. consideration must be given to the need to promote uniformity of the law among other states enacting UPSA;
2. its provisions generally modify, limit, and supersede the federal Electronic Signatures in Global and National Commerce Act, except for certain provisions related to consumer disclosures and court notices; and
3. its provisions govern only a series LLC formed, or a protected series established, on or after October 1, 2018.

**COMMITTEE ACTION**

Judiciary Committee

Joint Favorable

Yea 39      Nay 0      (03/28/2018)